

**Executive Summary:** Beginning today, retiree plan sponsors will be able to receive electronic approvals of their completed applications through the CMS secure retiree drug subsidy (RDS) website - the site used by retiree plan sponsors to participate in the Retiree Drug Subsidy program created under the Medicare Modernization Act of 2003 (MMA). This announcement also addresses issues relating to the submission of retiree list files and an extension of the deadline for submitting retiree drug subsidy applications and retiree lists. CMS is urging retiree plan sponsors to submit their applications and retiree lists as soon as possible, and also urging sponsors to communicate now with their retirees to ensure that the retirees understand the coverage their retiree plan offers in relation to the information they will begin to receive from CMS in October.

Additional information about the RDS program is available on the RDS website at [<http://rds.cms.hhs.gov>](http://rds.cms.hhs.gov)

**Approvals:** As of September 1, 2005 the RDS secure website can begin issuing conditional approvals of completed RDS applications. The approvals are conditioned on the submission of retiree lists within applicable deadlines, and the RDS Center's processing of those retiree lists. **CMS strongly encourages sponsors to submit their applications as soon as possible.** Plan sponsors unfamiliar with the online application tool could encounter unexpected delays (e.g., because of unintentional errors in their user account creation or application submission). Thus, sponsors waiting until the last minute could risk missing the submission deadline. Sponsors that submit their completed applications early will quickly get assurances that they will be able to participate in the RDS program for 2006. It will also leave more time for them to ensure they are able to successfully submit their retiree lists.

**Retiree lists:** The RDS secure website will begin accepting retiree list submissions no later than September 26. The RDS Center will make an announcement when that functionality becomes available. As is the case with applications, **CMS strongly encourages sponsors to submit their retiree lists as soon as possible once the functionality is available.** This will minimize the risk that a sponsor would encounter problems meeting the submission deadlines due to a failure to comply with transmission standards or other issues relating to a lack of familiarity with the process.

**Extensions:** A number of sponsors, and those working with sponsors, have indicated interest in requesting a one-time extension of the September 30, 2005 deadline for submitting applications and retiree lists for plan years ending in 2006, as permitted under existing procedures. CMS has decided to grant the one-time extension until October 31, 2005 automatically for ALL plan sponsors. Plan sponsors do not have to submit anything to request an extension. **CMS still urges plan sponsors to submit their applications and retiree lists as early as possible** to ensure that the applications and retiree lists will be processed quickly and in a timely manner.

**Communicating with Retirees:** CMS also strongly encourages plan sponsors to **communicate now with their retirees** about their current prescription drug coverage and how the retirees may be impacted by the new Medicare prescription drug program if they have not already done so. Plan sponsors need to help their retirees understand their plan-specific choices now, before they begin receiving information, from many other sources in coming months, that is mainly targeted for Medicare beneficiaries who do not have employment-based coverage. Sponsors looking for help in this communication effort should see the "Employee Retiree Communications" link on CMS' Employer/Union Partnership webpage [<http://www.cms.hhs.gov/medicarereform/pdbma/employer.asp>](http://www.cms.hhs.gov/medicarereform/pdbma/employer.asp), where they will find CMS communications documents they can provide to retirees or use as models for their own customized communications reflecting their specific benefits.